

LEE'S DEPARTMENT STORE

Directions: Read the following case and answer the questions completely.

Lee's Department Store has decided to try specialty catalogs. The goal is to discontinue full-service, national catalogs. Lee's carries merchandise that suits all household needs. This includes clothing, electronics, home furnishings, accessories, toys, jewelry, skin-care products, gourmet selections, and athletic supplies.

To go to specialty catalogs, Lee's must identify the needs of its customers.

Questions:

1. What factors should Lee's Department Store consider in specializing its catalogs?
2. Based on what you answered, what type of market segmentation should be used to obtain this information?
3. How will the use of specialty catalogs benefit Lee's Department Store?

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Questions:

1. What factors should Lee's Department Store consider in specializing its catalogs?

Factors that Lee's should consider include:

- Age
- Life stage
- Lifestyle
- Values
- Interests
- Income level
- Personality
- Geographic location

2. Based on what you answered, what type of market segmentation should be used to obtain this information?

Answers will vary.

3. How will the use of specialty catalogs benefit Lee's Department Store?

The use of specialty catalogs will benefit Lee's through cost efficiencies, increased sales, and repeat sales.